

**MINUTES
of the
SECOND MEETING
of the
INDIAN AFFAIRS COMMITTEE**

**July 14-16, 2014
Navajo
Pinedale
Gallup**

The second meeting of the Indian Affairs Committee (IAC) was called to order at 10:30 a.m. by Representative Sandra D. Jeff, co-chair, on July 14, 2014 at the Navajo Pine High School in Navajo.

Present

Rep. Sandra D. Jeff, Co-Chair
Rep. Eliseo Lee Alcon
Rep. Alonzo Baldonado
Rep. Sharon Clahchischilliage
Rep. Patricia A. Lundstrom
Rep. James Roger Madalena
Sen. Richard C. Martinez
Sen. Cliff R. Pirtle (7/15, 7/16)
Rep. Jane E. Powdrell-Culbert
Sen. Nancy Rodriguez (7/15, 7/16)
Sen. John C. Ryan
Sen. Benny Shendo, Jr.
Sen. William P. Soules

Absent

Sen. John Pinto, Co-Chair

Advisory Members

Rep. Ernest H. Chavez
Sen. Carlos R. Cisneros
Rep. Zachary J. Cook (7/14, 7/15)
Sen. Cisco McSorley (7/15, 7/16)
Rep. Debbie A. Rodella
Rep. Patricia Roybal Caballero (7/15, 7/16)
Rep. Clemente Sanchez (7/15, 7/16)

Sen. Stuart Ingle
Sen. Daniel A. Ivey-Soto
Rep. Georgene Louis
Rep. Antonio "Moe" Maestas
Rep. Nick L. Salazar

(Attendance dates are noted for members not present for the entire meeting.)

Staff

Peter Kovnat, Staff Attorney, Legislative Council Service (LCS)
Mark Edwards, Staff Attorney, LCS
Michelle Jaschke, Researcher, LCS

Guests

The guest list is in the meeting file.

Handouts

Handouts and other written testimony are in the meeting file.

Monday, July 14**Welcome, Introduction and Invocation**

Representative Jeff welcomed the committee and members of the audience and introduced Arval McCabe, president, Red Lake Chapter. President McCabe welcomed the committee and introduced Edmund Ciccarello, who delivered an invocation in Diné. Representative Jeff asked audience members to introduce themselves.

The audience included many members of the Red Lake Chapter, state, local and tribal officials and members of neighboring communities, notably the Crystal Chapter. Arthur P. Allison, secretary, Indian Affairs Department (IAD), and Kelly K. Zunie, deputy secretary, IAD, were in attendance.

Some of the nearly 60 audience members identified issues and concerns, including district grazing, the recent forest fire, senior citizen needs, capital outlay concerns, Medicaid, housing and food assistance, ground water pollution, township applications, economic development and area roads and infrastructure needs.

Committee members introduced themselves and thanked members of the community for the warm welcome. Many commented on the spectacular scenery and geology of the area.

A motion to approve the minutes of the meeting of May 29, 2014 was made by Representative Madalena. Representative Baldonado seconded the motion, and the motion was unanimously approved.

Status Update

President McCabe was joined by Frank Chiapetti, superintendent, Gallup-McKinley County School District (GMCSD), and Pauletta White, associate superintendent, GMCSD, and welcomed all who came together to "improve the lives of our future generations and the citizens of our community". President McCabe said Red Lake has a population of 2,557 members and that 1,201 of those members are under 17 and have educational needs. Further, President McCabe reported high levels of substandard or unoccupied housing in the area and high levels of unemployment and poverty. He asked that the committee partner with the community to reestablish the economic vitality the community enjoyed when the Navajo Forestry Products Industry (NFPI) was in operation in the area.

The following priorities were identified by President McCabe:

- the Navajo Lake irrigation canal;
- the Red Lake community recreation park;
- an office park;
- a water tank;
- upgrades to utility lines, streets and bridges;
- renovation of the Red Lake Head Start building;
- improvements to the United States Bureau of Indian Affairs (BIA) Route 112;
- purchase of a road grader; and
- renovation of the chapter's administration building.

President McCabe reported a number of other initiatives under consideration or in process in the area, including a charter school partnership, funding to reconstruct the damaged Red Lake Dam, assistance with reestablishment of the NFPI and recovery measures for forest-fire-afflicted lands.

President McCabe thanked the president of the Navajo Nation and the offices of the federal Environmental Protection Agency (EPA) and the Navajo Nation Division of Economic Development for local environmental clean-up efforts. He asked the committee for help to overcome the damage from the Assayii Lake fire.

Superintendent Chiapetti said that the district continues to experience problems transporting students. Bridges that serve the area are not safe to hold the existing school buses, and many parents find it prohibitively expensive to deliver students to the "feeder routes". If students are not attending school, they are not learning.

Superintendent Chiapetti described the difficulties that the Public Education Department's (PED's) reimbursement process presents. He reported that some facilities built prior to the implementation of the standards-based process have serious maintenance needs. Six of the top 25 schools ranked for replacement in the weighted New Mexico Condition Index are in the GMCSO. Legislation that would have provided funding for maintenance needs was not passed during the 2014 legislative session. Although voters in the district approved school bonds, the district lacks the required matching funds to be able to utilize the funding.

Superintendent Chiapetti noted that several schools now under development are asking for design money from the Public School Capital Outlay Council. Schools facing severe challenges in the district are partnering with the PED Priority Schools Bureau, and 12 schools have joined the Principals Pursuing Excellence program.

Navajo Pine High School and Navajo Middle School currently serve only about one-fourth of the number of students for which they were designed. In addition, the district now offers a cyber academy for rural area students and other alternative credit programs for high school students. The State of Arizona has been picking up students to take to out-of-state districts, despite being asked to stop. Superintendent Chiapetti expressed concern that the

memorial to assess the feasibility of starting a charter school in Red Lake had resulted in an effort to establish a charter school rather than to actually study the feasibility of doing so. He worried about the effect of opening a charter school in a small community with existing schools operating under capacity.

A legislator suggested exploring other funding sources to assist in fire recovery efforts, including ensuring that economic and community development needs are included in the Infrastructure Capital Improvement Plan (ICIP).

Audience members expressed concerns about preserving Diné language and culture in school curricula through the fifth grade; currently these programs are offered from kindergarten through third grade.

One member asked Superintendent Chiapetti if he supported merit pay for teachers. Superintendent Chiapetti said the only way to access the funding is to apply for it, and even if one does not agree with the concept in principle, the money will go elsewhere if a district does not apply. He reported that many teachers are frustrated by the merit pay formula, which may not accurately reflect their accomplishments. It was noted that some districts are not going to pursue merit pay for teachers.

President McCabe clarified that the State of Arizona will cooperate in maintaining needed road improvements for the BIA road leading to the Head Start building, but so far, the chapter and the Navajo Department of Transportation (NDOT) have paid for all of the road improvements. He stated that the BIA does not have funding for improvements to the BIA routes. Members expressed concern that any funding approved for area road improvements might be vetoed because of crossover issues near the state and sovereign nation lines.

President McCabe provided additional clarification regarding the need for funding for economic recovery in the area. Representative Madalena moved to write a letter of support for paving BIA Route 112 and to attach that letter to a memorial to come before the legislature during the upcoming session. Senator Martinez seconded the motion, and the motion was unanimously approved.

Members discussed children being bused to Arizona and were told that Arizona has not responded to a request to desist. A legislator observed that many small towns do not meet ICIP requirements and so they may be underserved and suggested that the committee consider options for meeting small school and rural educational needs before the next legislative session.

Other members discussed the extent of declining enrollment at area schools. Overall enrollment in the district has declined by about 300 students over the past two years, Superintendent Chiapetti noted. Members discussed the fact that the Crystal Chapter was recently determined to lie within the boundaries of the Central Consolidated School District (CCSD) instead of the GMCSO.

One member asked if students and parents can choose where to go to school. It was suggested that the district ask the Legislative Education Study Committee about adding a factor to the school funding formula to quantify the lack of infrastructure, with the intent to bring standards up. Discussion ensued regarding how to make roads and bridges safe to serve children in the area, and who should be engaged in this process at the state and local levels.

Superintendent Chiapetti averred that public schools are not playing by the same rules as private and charter schools. The PED must approve GMCSD bus routes, but charter schools and the BIA need no approval and can cross bridges that are illegal under PED guidelines. Superintendent Chiapetti suggested that the legislature level the playing field with regard to transportation regulations and local matching fund requirements.

Representative Jeff suggested that the committee write a letter to the governor regarding transportation for schoolchildren and questioned why the governor had vetoed legislation that would have addressed school busing issues.

Representative Jeff expressed concern that students are being moved to other areas and observed that economic development is needed to keep people in the area and to limit the influence of gangs. She further noted the conundrum that chapters face with both the Navajo Nation's and the executive branch's red tape. Chapters can request funding, but many projects are idling because of newly imposed audit requirements.

Presenters responded to questions regarding staffing changes in the GMCSD. Superintendent Chiapetti stated his intention to "put the right people in the right seats on the bus" using a business model that includes seven competencies intended to match administrators with student needs. Some employees have chosen not to stay with the district as a result of these and related curriculum changes, and some have been moved to other positions within the GMCSD. Members noted that this has created some stress in the community.

A member observed that perhaps the new model needs an introduction period with opportunities for staff to work on their competencies. The member noted five recent school closures in the district and the mostly empty building housing the high school, and opined that allocating money for new facilities may not be the right option where there are existing underutilized facilities.

Senior Citizens in Indian Country

Roslynn Curtis, health services administrator, Navajo Area Agency on Aging (NAAA), presented a brief overview of NAAA services. The agency cooperates in a tri-state service agreement with New Mexico, Arizona and Utah, and it also receives Navajo Nation trust funds to help meet senior citizen medical needs.

Ms. Curtis asked for the committee's support for fire recovery efforts and to complete renovations to the Torreon, Church Rock and Ramah senior centers. It was noted that the agency

will request additional funding in fiscal year (FY) 2016 for adult protection, caregiving and emotional health needs.

A member asked for information about completing the Torreon senior center. Ms. Curtis noted that it has been under construction for five years and that paving and installation of sewage lines are holding up completion. The member responded that no requests for funds for the Torreon project were received in FY 2014 and that it is up to the chapter to request needed funds.

Another member questioned how individuals affected by the closing of the senior center in Vicente are being served. Ms. Curtis affirmed that only four people attended the center at the time it closed but that 25 residents remain on home meal delivery service in the area. The Mitten Rock Senior/Head Start Center located on the state line closed because of low attendance and issues that often arise in serving areas that cross state lines.

Myles Copeland, deputy secretary, Aging and Long-Term Services Department (ALTSD), described four agencies on aging serving the area and the services they provide. Mr. Copeland introduced Rebecca S. Martinez, Capital Outlay Bureau chief, ALTSD, who presented on changing demographics in the state, the challenges those changes present and how the ALTSD is meeting those challenges. Ms. Martinez provided a detailed handout for the committee and audience members.

Ms. Martinez reported that by 2030, New Mexico will have the fourth-largest percentage of population age 65 and over in the nation, doubling its current 65 and over population. Issues of senior hunger, food insecurity and related health issues will intensify. Ms. Martinez described programs to meet these challenges, including promoting healthy aging and independent living to reduce health care costs, tribal innovation to provide culturally appropriate services to the elderly and ensuring that caregivers also have the assistance they need.

An overview of the status of capital outlay for senior citizen centers in Indian country revealed that some projects continue to be stalled by insufficient funding and/or planning and project management challenges. Ms. Martinez elaborated on the curriculum that the ALTSD has developed to help chapter officials understand and participate in the funding process as well as to better manage assets. Emphasis is being placed on project management, and the ALTSD is promoting partnerships with other capital outlay bureaus in counterpart agencies to build capacity statewide.

Ms. Martinez reported that equipment items under \$5,000 will no longer be eligible for capital outlay requests. The ALTSD is looking at other means to meet the need for these critical items that are unsuited for funding under the general obligation or severance tax bond processes. Additionally, Ms. Martinez stated that the planning and design phases of a project must now be complete before the agency will request funding for construction.

Representative Jeff expressed concern about the executive order regarding audit requirements for receipt of capital outlay funds, which particularly affects Navajo Nation aging projects. She asserted that the executive has created obstacles specifically to prevent the use of capital outlay funding by certain programs. Representative Jeff then passed the chair duties to Representative Lundstrom.

One member asked what the ALTSD priorities are for funding projects. Mr. Copeland stated that projects addressing building and safety code compliance are the top priority. The member asked how funding for vehicles is prioritized and whether or not funding appropriated for the senior center in the Pueblo of Jemez in FY 2010 has been spent. Ms. Martinez responded that buses, vans and trucks for hot meal services are prioritized but that vehicles for administrative services are not prioritized. She reported that the FY 2010 money for the Pueblo of Jemez has been encumbered.

In response to member questions, Ms. Martinez clarified that capital outlay money requested by a chapter for senior centers flows through the ALTSD and that funds reverting to the state have generally been unused for four years. In some cases, she observed, not enough funding was allocated to pursue the project, or for multiple other reasons, a community may not have been ready to receive the money.

Mr. Copeland offered that refreshing the capital outlay process as described by Ms. Martinez is partially motivated by the problem of stalled projects. Efforts are now being directed to commit local governments to project completion, in part so that locally approved general obligation bonds can be spent.

Some members addressed the issue of funding that had been appropriated for the Pueblo of Santa Clara adult daycare center that was subsequently stricken from the budget. Senator Martinez moved that the committee write a letter to the secretary of aging and long-term services requesting funding for the Pueblo of Santa Clara adult daycare center. Representative Powdrell-Culbert seconded the motion, and the motion passed without opposition.

One member asked if the asset management curriculum requirements would apply to all centers and expressed hope that this program was not just another way to withhold funding from certain projects. In the legislator's view, the executive has found ways to withhold capital outlay for certain projects. Ms. Martinez responded that the new curriculum is intended to protect assets, track the life of those assets and improve management.

Another member questioned how the increasing population of baby boomers, generally more wealthy than previous generations, will qualify for Medicaid. Mr. Copeland responded that the ALTSD has not reviewed income levels but that most services are provided without income requirements under the federal Older Americans Act of 1965, although special emphasis is placed on services to those with economic need.

A member clarified that the dollar amount reverting from NAAA programs in FY 2014 is under \$75,000, not millions of dollars as another member had indicated, and suggested looking at other means to secure funding for small equipment items.

A member requested a spreadsheet from the ALTSD detailing projects that are stalled or inactive. Legislators expressed concern that the deadline for inclusion in the ICIP is so early and removed from the funding process that many communities are unaware of the deadline and, thus, are excluded from the process.

Senator Soules moved that the committee write a letter in support of pushing back the deadline for inclusion in the ICIP. Representative Alcon seconded the motion, and the motion passed unanimously.

Rural Roads in McKinley County

Genevieve Jackson, county commissioner, McKinley County, presented an update on the need for road improvements in the county. Commissioner Jackson outlined challenges, including substandard bridges, flooding and washouts, and the difficulties involved in securing rights of way for road improvements, particularly on native lands. In addition, she observed that the county faces difficulties in securing funding for road improvements in the many areas that cross multiple jurisdictions.

Jeff Irving, road superintendent, McKinley County, presented a summary of funding for county road improvements and reported success with a combination of funding sources to make road improvements to Coyote Canyon. He asserted that substandard bridges continue to be a major issue in McKinley County. Mr. Irving reported that the road department is working closely with the GMCSD to provide turnarounds for school buses in front of bridges and to get smaller buses. Jeff Bond, director of transportation, GMCSD, observed that the district will be getting smaller buses, but these buses will then be making more trips.

The presenters noted that the road department does maintain some of the BIA roads, particularly those that serve school-age children. The state is now inspecting bridges and working with the road department to design and develop roads and bridges in the county. Mr. Bond said that the GMCSD has 190 school buses traveling extensively on dirt roads.

Senator Soules moved that the committee write a letter in support of redirecting \$10 million from the Severance Tax Permanent Fund, traditionally used for public school capital outlay, to rural road and bridge improvements in McKinley County. Representative Alcon seconded the motion, and the motion passed unanimously.

Navajo Bistate Charter School

A final report on House Memorial 43 (2013) was presented by members of the feasibility study group. Kayla Begay, charter study group member, related that when the town of Navajo was a site for the NFPI, it became a boom town but subsequently has suffered from a lack of

industry of any sort. Nearly 50% of the current population is under the age of 20, and many of the area's children now attend BIA schools in Arizona. The intent of the study group, she reported, is to explore educational options for the area.

The group surveyed the community to assess educational needs. Ms. Begay reported that many in the area would like to see native culture and language emphasized in the curriculum. Recommendations include providing opportunities to revitalize the farming and animal husbandry culture in the area, increasing access to holistic health support for students, developing leadership skills and strengthening community relations. Ms. Begay reported that the study group had submitted a letter of intent to pursue establishing the Dził Dít Looi School of Empowerment, Action and Perseverance (DEAP). Study group members Kara Bobroff and Prestene Garnenez also spoke about the issues of local self-determination, community engagement and cultural preservation in support of establishing the DEAP.

Superintendent Chiapetti objected to the methods used by the study group. He expressed concern that no effort had been made to communicate specific educational needs to the GMCSD. He noted that existing facilities are underutilized and that a new school would further drain limited transportation, construction and maintenance budgets in the district. He asked that all parties look at how local needs can best be met.

Members questioned why the group had chosen to apply through the state charter process and not the GMCSD. Ms. Begay reported that the group has not received support for a district charter and is therefore pursuing a state charter. Superintendent Chiapetti responded that the question of whether or not the district can meet the identified needs was never addressed. One committee member pointed out that every district he has worked with works hard to meet local needs. Here, he noted, there are underutilized facilities, and yet the charter school group proposes bringing in portable buildings. He wondered whether the proposed school will meet needs that the district cannot meet.

Ms. Garnenez stated that the intent of the charter school is to be responsive to the community. She asserted that children and parents do not feel safe in the present system, that they are not challenged by the curriculum and that their special needs are not being served. She noted that she had not felt prepared for college by Navajo Pine High School.

Members made a number of suggestions to bring the community together to address local concerns and to ensure self-determination. Study group members and GMCSD representatives ultimately agreed that they would look for ways to work together to meet local educational needs. Ms. Begay observed that the community wants economic sustainability as well as a stake in defining its educational future.

Public Comment

Dr. Ferlin Clark, former secretary for Indian education, PED, and resident of the Crystal Chapter, spoke about the efforts of the community to meet local educational needs. He stated

that, as a farmer, he had observed the black runoff from the forest fire and urged the committee to help with fire recovery efforts and with the issues of school transportation and road improvements.

Pauline Garnenez, Red Lake Chapter member, spoke in support of having a pilot program for a charter school and noted that she was part of the original group to study the need for a charter school.

Raymond Tsosie, vice president, Crystal Chapter, said that the charter school movement had started a few years back in response to an unresponsive former district superintendent. He declared that the economic situation and cultural differences in Navajo make education a totally different process than that found in urban schools. He related how he had consulted with one of the elders in the area about the charter school. The elder asked him why he had not corrected the problems in the existing school system. She further asked him where he thought a charter school will be in a year or 10 years and wondered if this is not a road to another school closure.

Mr. Tsosie said that the area needs to fix problems with the GMCSD. He elaborated on the difficulties the community has had in finding support from either the district or the Navajo Nation as it pursues remedies for the local educational system. If Superintendent Chiapetti is filling the seats on the bus, he observed, then he must be the bus driver. In summary, he expressed his hope that rural area schools would receive more support at all levels.

Tour

President McCabe offered a tour of the Red Lake area to members following the meeting.

With the day's work completed, the committee recessed at 4:40 p.m.

Tuesday, July 15

Representative Jeff reconvened the meeting at 10:04 a.m., thanked the chapter for hosting the meeting in the Pinedale Chapter house and asked the audience and committee members to introduce themselves.

Welcome, Introduction and Invocation

Pinedale Chapter President Willie Norton described uranium mining operations in the area and the problem of uranium tailings. He outlined the following new projects listed under the ICIP:

- improvements to Indian Service Route 7054;
- construction of an administration building;
- construction of bathroom additions;
- fire station bay construction;
- renovation of the Head Start building;

- solid waste transfer station construction;
- chapter compound parking lot upgrade;
- construction of a heavy equipment parking garage for chapter vehicles;
- improvements to County Road 49;
- purchase and installation of solar panels for homeowners;
- installation of a skateboard park ramp and other recreational facilities and equipment;
- and
- development of a green energy water treatment facility.

Council Delegate Edmund Yazzie asked the committee for follow-up on the projects outlined by President Norton. Mr. Yazzie said that the chapter had been working for years to get Route 7054 chipsealed. He noted that it is a school bus route and that right now, the NDOT is just throwing gravel on the road when possible. He asked for legislative support for a \$2 million appropriation for improvements to the road and observed that the Pinedale Chapter is working with the BIA, McKinley County and others to secure the road improvements.

Anselm Morgan, director, Local Governance Support Center, Eastern Navajo Agency, reported that he is charged with community development for 29 Navajo Nation chapters in the Eastern Navajo Agency. He assists the chapters in listing projects on the ICIP and in prioritizing projects before the legislative session. Mr. Morgan reported that many projects are pending due to lack of local matching funds. He described other system challenges to rural community development, including a need for improved project management and comprehensive land use planning. Further, he asserted that climate change and drought present new demands in the areas of education and land management.

In response to committee member questions, Mr. Morgan discussed the difficult process of passing local projects funds through the Navajo Nation. He noted that in cooperation with the New Mexico Legislature, he had proposed establishing a local administrative center in Crownpoint for the Eastern Navajo Agency, although that proposal remains on the back burner. Mr. Morgan informed the committee that he has helped two chapters become certified to enter into project agreements with other entities directly. Other chapters are also pursuing certification with Mr. Morgan's assistance. In these cases, the chapters are seeking to streamline all aspects of New Mexico projects in cooperation with counties and the state. One impediment to this is the state reimbursement process.

A legislator noted that sovereignty is always an issue and many chapters are trying to reorganize to become more independent. The legislator expressed concern regarding the executive order audit requirements and noted that this slows down the process and hinders Navajo Nation projects. The legislature appropriated money for ICIP projects, including a new senior center at Church Rock, but that funding may be lost as a result of the new requirements.

Mr. Yazzie suggested that the requested \$2 million be channeled through McKinley County. He stressed the importance of getting chapters certified to execute their own

agreements. Mr. Yazzie and President Norton stated that Route 7054 is owned by the BIA and that area bridges require upgrading as well. The NDOT and the BIA would likely be amenable to entering into memoranda of understanding with the state to ensure that any funding allocated for the project would go directly to that project. Mr. Morgan indicated that discussions about transferring ownership of the road to the county had taken place.

Tony Tanner, commissioner, McKinley County, stated that the county does have agreements in place to work with the chapters to do road improvements. The county is maintaining the roads, but it does not have rights of way needed for improvements. Without rights of way, the county cannot use Federal Emergency Management Agency funding for those roads. Right now, he noted, the county's fiscal agent is the local council of governments due to 2013 audit failures. He asserted that those failures, which did not occur during his tenure, will soon be corrected, and the county's direct fiscal agent status should be restored.

Discussion ensued regarding how to get projects prioritized and funded in the face of all of the reimbursement, executive order and ownership obstacles. Mr. Yazzie indicated that capital outlay funds of up to \$4 million are on hold.

One member suggested that if the Navajo Nation knows in advance that a certain amount of money will be allocated for ICIP projects, the council can set up a revolving capital fund in an amount appropriate to facilitate project execution. An average amount is given to the Navajo Nation each year, he noted, and a revolving fund would be a logical mechanism to move projects forward.

Numerous other suggestions for funding the \$2 million road improvement request were entertained. It was recommended that the request be prioritized through the ICIP and the state Department of Transportation processes and that the county provide assurances regarding ownership so that the committee can move forward to help place the request at the top of those lists.

A legislator commented on the tremendous natural beauty and expanse of the Pinedale area and asked how much it costs to run power lines to a house on the Navajo reservation. Mr. Morgan estimated that it costs roughly \$2 million per mile, depending upon the route. The member suggested that the chapter partner with a solar panel producer to employ area youth in the construction of solar panels and thereby secure the panels at a lower cost to the Navajo Nation and pledged capital outlay funding to support a pilot program to bring electricity and jobs to the area.

Storefront Small Lending in Native American Communities

Steve Fischmann of the New Mexico Fair Lending Coalition presented information on storefront lending and the practices of the mostly out-of-state-owned industry that frequently locates in rural and poverty-stricken areas and is prevalent around the Navajo Nation. Mr. Fischmann described how he posed as an unemployed worker on government disability and

applied for both title and installment loans at different storefront lenders. The products he was offered at up to a 600% annual percentage rate (APR) roll over frequently and he believes are designed to trap people in a never-ending payment cycle. Mr. Fischmann presented 2012 New Mexico statistics on loans carrying over 175% APR. More than 650 stores made 396,000 loans amounting to \$216 million with an average APR of 350%. More than 80% of these stores are owned by national chains and are located in some of the weakest economic areas in the state.

Typically, storefront loan consumers are low-income individuals, single mothers, veterans, renters and people of color. Mr. Fischmann noted that government support payments such as disability, temporary assistance and social security are treated as income to pay off these loans. In essence, a lot of government assistance money goes to paying interest and fees on the loans. According to Mr. Fischmann, raising the minimum wage to \$9.50 per hour would put \$100 million in New Mexico's low-income pockets annually. Mr. Fischmann also reported that capping loan interest and fees at 36% would keep at least \$89 million in those pockets annually while adding no expense to business.

Mr. Fischmann stated that New Mexico law allows high-cost lending with minimal requirements to secure a small-loan license. Lenders can charge any interest rate over any length of time on all but the narrowly defined category of payday loans. There are no restrictions on security for loans or other terms. Mr. Fischmann observed that a lawsuit brought against a lender charging 1,500% APR had been thrown out as unenforceable.

Mr. Fischmann said that most such loans are not made for emergencies but rather for everyday expenses; that individuals using these loans are not knowledgeable consumers; and that storefront loans actually create more financial difficulties than they solve. Members heard testimony describing the loss of jobs, homes, vehicles and legal standing for New Mexico families as a result of the industry's practices. The New Mexico Fair Lending Coalition recommends endorsing legislation to enact across-the-board interest and fee caps of 36% on non-bank loans in New Mexico and supporting lower-cost credit alternatives such as community development financial institutions (CDFIs).

Ona Porter, president and chief executive officer, Prosperity Works, presented information on programs offered through her organization, which seeks to build the capacity of families, organizations and communities to advocate for policies that generate economic prosperity for all New Mexicans. The program works with organizational partners to provide financial education and asset planning to help establish individual development accounts for families throughout New Mexico.

Ms. Porter noted that these accounts help to increase homeownership, business activity and earning power and further contribute to work force development efforts and economic stimulation. The program helps families establish good credit scores. Ms. Porter referred to storefront lenders as death-trap lending organizations ripping assets and income from

communities. The asset services and education provided by her organization are successful in moving 90% of participants back to financial health.

According to Ms. Porter, the storefront loan industry has repeatedly gotten around regulatory efforts. She stated that the market serves itself as it devastates individuals and families. The real profit in the industry and what storefront lenders depend upon is flipping the loans, trapping people into continually paying high interest rates and fees without ever paying off the initial loan. Ms. Porter referred to CDFIs as saviors in this scenario, offering people a fair rate with transparent terms.

Marvin Ginn, executive director, Native Community Finance, reported that access to capital is a big challenge in Indian country. It may be 50 miles to the nearest bank, he noted, and in addition to storefront lenders that make themselves easily accessible in these areas, there are internet lenders also charging high rates. The constant flipping of high-interest loans compounds the financial difficulties of these consumers. Many wind up with multiple other loans to try to pay off the first loan. People come to CDFIs to try to get their lives back, he stated, and he noted that Native Community Finance underwrites loans based on the individual's ability to repay.

Mr. Ginn presented information on a high-interest loan that his organization had refinanced. The APR on the loan amounted to 719.037%. The borrower paid \$1,837.50 in finance charges on an initial \$700 loan. Mr. Ginn asserted that storefront lenders do not create jobs but rather hinder economic development and limit access to real capital. Mr. Ginn reported that Native Community Finance, a not-for-profit organization, seeks to expand its services statewide and offers loans at 16% APR as opposed to the average 350% APR of the storefront lenders.

According to the presenters, about 83% of households in McKinley County qualify for the earned income tax credit, which can be a great way for them to build emergency funds early in the year. However, the panel reported, many of these individuals take out "holiday loans" around November, which are based on estimated tax refunds for the following year. By January, they have already signed away large chunks of that money in the form of finance charges and tax preparation fees. Many of those who have taken out holiday loans are then unable to get free help with their taxes from low-income taxpayer clinics because holiday lenders are holding their social security cards and their children's birth certificates as collateral.

Committee members asked how a new law regulating the industry would differ from the legislation that was passed in 2007. Mr. Fischmann stated that in 2007 payday loans were the main product, and that was what New Mexico regulated. Now the industry has invented new products to get around the interest cap on payday loans. Mr. Fischmann observed that unless regulation spans all financial products, loopholes will be found. The only real solution, he stated, is to put an industry-wide cap on interest and fees.

Members observed that the industry is well-armed to fight legislation and that a constitutional amendment to achieve the desired result is a non-starter. Mr. Fischmann replied that amending the current statute would likely be the simplest and easiest solution. Amending the New Mexico Small Loan Act of 1955 would create an opportunity to simplify the law. He noted that such an amendment could not be applied retroactively to existing loans and that there may be a need to consider how to inform people with existing loans. There are around 15 states with similar legislation now, he reported, and there are models and solutions.

Discussion ensued surrounding the limited visibility of CDFIs in the community. Mr. Ginn reported that various community-based organizations and community colleges offer similar types of financial counseling and related services. He reported a return on investment of \$157 for each dollar invested in a CDFI. His organization, Native Community Finance, is a member of the American Indian Chamber of Commerce and has worked with numerous reservations and pueblos. The organization's visibility is limited, he noted, because as a nonprofit organization, it does not have an advertising budget. At present, the organization's funding is 100% committed. He further explained that a CDFI is chartered by the federal government and is a fully regulated financial institution. Members requested that they be provided a list of CDFIs in New Mexico.

Members discussed private sector initiatives to offer alternatives to high-cost loans and the need to review information that the Regulation and Licensing Department (RLD) was to have collected with regard to payday loans. Members also discussed internet lending, the ability of tribes to establish their own lending programs and how to regulate bank overdraft fees.

Mr. Fischmann reported that the newly chartered federal Consumer Financial Protection Bureau is already cracking down on checking overdraft fees. He also observed that the 36% cap rate is arbitrary and is derived from the United States Department of Defense (DOD) effort to regulate interest rates on loans made to military personnel. In this instance, the DOD regulations only covered loans of 90 days or shorter, and the industry then created longer loans to get around the regulations. Mr. Fischmann said that the DOD will soon institute an across-the-board 36% cap.

One member suggested establishing a program to use state funds to provide funding for CDFIs to meet the estimated \$28 million to \$40 million in loan needs in New Mexico and noted that even with a net return of only 2%, the new investment in housing and jobs for New Mexicans would help the state and could be coordinated with the New Mexico Finance Authority to increase bonding capacity and housing opportunities.

One member stated that a lot of other issues enter into the lending process, and he strongly encouraged all groups to get together to work out solutions for people who do not qualify for traditional banking services. He also stressed the need to review information from the RLD, and he asked about the factor of risk for these loan companies and the personal responsibility individuals should assume for their own financial well-being.

Mr. Ginn acknowledged that there are lots of risks and challenges in bringing standard banking practices to this issue. He reported a very low default rate, less than 1%, on his loans, but noted that his organization is not trying to make a huge profit. The storefront lenders can lose a good percentage of loans, he asserted, and still make a lot of money because of the interest rates they charge. His organization looks at ability to repay and provides counseling and education for borrowers. He urged the committee to work to control interest rates. Mr. Fischmann observed that payday lenders do not look at any ability to repay and are giving a very dangerous loan to people who do not understand the potential consequences, leading to very high interest rates.

A legislator asked Commissioner Tanner to address the number of native employees working with his lending business.

Commissioner Tanner thanked members for their efforts and reported that he has around 12 local employees. He stated that he is a native of Gallup and did not move there to target Native Americans with his lending business. He pledged to work with the committee to help put the predatory lenders out of business but asked the committee to listen to other lenders as well. He asserted that some banks ultimately charge more than some of the storefront lenders, as they charge hefty loan origination and other fees. He noted that lenders assume risk even if they do not charge fees, and he asked the committee not to lump all lenders together.

A member reiterated his belief that personal responsibility is a key to this issue, and he objected to certain characterizations that had been applied to the lending industry as a whole. Mr. Fischmann responded that the panel members do not believe in welfare and are trying to teach personal responsibility through the financial education programs they provide, but that it is important to have a cap for the industry to assure that the industry is not hurting people.

One member characterized the interest rates of up to 1,500% as unimaginable. Basic economics reveal that when money moves, the economy improves, and churning money through the economy is good policy. By removing so much out of the economy, this industry's activity "not only doesn't churn but drags".

Another member asserted that New Mexico has a high rate of disenfranchisement in the population as a whole. The banking industry is not accessible to everyone, and yet there is a desire to increase purchasing power across the board. The member lauded the work of community-based organizations in empowering individuals and helping families to develop their assets. The member urged the committee to close loopholes that the storefront lending industry will continue to find and to act to reinvest state money in New Mexico families. Mr. Fischmann was asked to provide information regarding the sources of his data.

Another member asked for more information about payday loans in comparison to title loans. Mr. Fischmann noted that products offered by the industry tend to be regional and that frequently there is crossover in the types of loans offered. Discussion ensued about assuring that

the committee has all of the information needed and that all stakeholders are involved in order to proceed. Representative Jeff moved that IAC members serve on a small loan working group to review and bring information to the full committee. Representative Baldonado seconded the motion, and it was unanimously approved.

Representatives Lundstrom, Baldonado and Rodella, and Senators Soules and McSorley, volunteered to serve on the working group, and Representative Baldonado was appointed to chair the working group.

One member asked why the committee had not received a list of the projects funded under the Tribal Infrastructure Project Fund as discussed during the last meeting. Many members expressed concern that despite multiple requests to the IAD to provide a representative at each meeting of the IAC, no one was at the meeting to speak for the IAD.

Representative Madalena moved that the committee write a letter to the IAD requesting that a staff member be present at each meeting. Representative Powdrell-Culbert seconded the motion, and the motion was unanimously approved.

Liver Transplant Feasibility Study

Pam Demarest, chief nursing officer, University of New Mexico (UNM) Sandoval Regional Medical Center, reported that the results of a liver transplant feasibility study had been posted on the UNM web site. The study recommends that New Mexico join with other states' transplant groups mainly because of the United Network for Organ Sharing (UNOS) directives regarding organs and New Mexico's relatively small population base. Ms. Demarest noted that California has many more transplant recipients on its lists and that as a result, New Mexico is a liver exporter. That would not change even if there were a transplant center in New Mexico because of the UNOS guidelines. She said the best idea appears to be to enter into agreements to do pre- and post-operative work-ups in New Mexico and send patients to the big centers out of the state for the actual transplant. Medicaid requirements and private insurance will dictate where those patients go.

One member observed that New Mexico, and the member's district in particular, have a high rate of liver disease, including cirrhosis and heavy metal contamination, and hopes that New Mexico will start leading the way in health care with a transplant center. Members expressed their disappointment that Steve McKernan, chief executive officer, UNM Health System, did not appear before the committee today and that very little information had been presented. Members asked that Mr. McKernan appear, and they expressed the desire to reexamine this issue, as well as other organ transplant center options. It was noted that audience members had come expecting to hear more information about the study and were disappointed as well.

Public Comment

Dudley Byerley, businessman and community member, addressed the committee regarding the need for a liver transplant facility. Mr. Byerley's wife required a liver transplant,

but at the time there was no multi-organ transplant surgeon in the state. Over \$1.7 million later, Mr. Byerley reported, his wife had received her transplant. He described suffering tremendous losses in his businesses as a result of having to go to another state for the transplant and recovery period, and he asserted that there are many others in need in the community and on transplant lists. He stated that he feels the feasibility study is flawed and urged the committee to be forward thinking.

Rafael Martin, vice chair of the Eastern Navajo Veterans Organization and former president of the Pinedale Chapter, revisited the issue of ground water contamination from uranium mines in the area. Although water decontamination efforts have been made, the area has artesian wells that may still be contaminated. He worried about the effects of the contaminated water on livestock and the likelihood that the contamination will travel up the food chain. Plans are under way, he noted, to pipe water from Shiprock to Gallup. He asked that taxes not be imposed on that water. Mr. Martin also recommended shutting down liquor stores in the area to address the high levels of alcoholism in Gallup and McKinley County. As a veteran and a representative of the local veterans' organization, he said, he is still waiting for information on how to get tax breaks promised to veterans. In addition, he described veteran needs in the areas of food assistance, housing and paving for the parking lot of the Crownpoint veterans center.

Dorothy Harjo, secretary, Elders First!, said that meal service is only available to seniors in the afternoons. The Elders First! program is trying to establish senior daycare centers across the Navajo Nation to provide meal and recreation services as well as transportation for Navajo elders. Ms. Harjo stated that, the many storefront loan companies in Gallup prey upon the elderly. She likened pawn shops to the payday loan companies, and she also suggested banning liquor stores in the area, noting their detrimental effect on the local population. Ms. Harjo urged support for bringing high-tech companies to the area as part of Pinedale's 50-year strategic plan.

Julio Sokolich, M.D., Liver Transplant Institute, testified to the need for a liver transplant center in New Mexico. He stated that he is the only multi-organ transplant doctor in the state and that the information he has presented to study groups continues to be excluded from transplant center feasibility studies. He provided statistics on the high numbers of individuals infected with hepatitis C in the state and the high percentage of those who will develop cirrhosis and require a transplant. Two transplant programs exist in state hospitals, he noted, but they perform only about 12 kidney transplants per year. He asserted that New Mexico has a very high rate of liver failure and not enough organ donors. The proposal from the transplant institute is to have a statewide facility serving the entire state but not exclusive to any given hospital. He acknowledged that the center will be expensive to establish, but it will ultimately bring jobs and money to the state.

Tour

A planned tour of the Pinedale Chapter was canceled due to recent heavy rains and resulting mud and poor road conditions.

The committee recessed at 3:30 p.m.

Wednesday, July 16

Reconvene

The IAC reconvened in a joint meeting with the Military and Veterans' Affairs Committee at 9:20 a.m. in Room 200 of the Science and Technology Center at the Gallup branch campus of UNM.

Welcome

Christopher Dyer, Ph.D., executive director, UNM-Gallup, welcomed the committees and explained various initiatives on the campus that benefit Native American and veteran students. The school administration actively recruits students from the Navajo Nation, and the campus' diverse population is reflected in the 14 languages other than English that are spoken by students. A veterans' center will open in the fall semester on campus, with counseling services provided at the center through a collaborative effort with Western New Mexico University. Included among the campus' veteran-specific projects are a program that incorporates gardening as part of treatment for posttraumatic stress disorder (PTSD) and a work force development initiative, in collaboration with a national nonprofit organization, that helps veterans access federal grants.

On questioning, Dr. Dyer was joined by Mathew Muñoz, government relations specialist, UNM, and Calvert Curley, field representative for United States Senator Tom Udall, to clarify that:

- there are veterans' centers on UNM's main campus in Albuquerque and its branch campus in Taos;
- UNM-Gallup conducts outreach in rural communities and collaborates with local veterans organizations such as Veterans Helping Veterans; and
- Senator Udall's office is working with UNM-Gallup, the federal Department of Veterans Affairs (VA) hospital and VA clinics to develop and expand programs for veterans.

LoRenzo Bates, speaker pro tem of the Twenty-Second Navajo Nation Council, and Leonard Tsosie, former New Mexico legislator and current Navajo Nation Council delegate, also welcomed the committees and thanked legislators and the governor for recent highway funding and firefighting support. They urged committee members to revise the state's one-size-fits-all approach to gaming compacts; address double taxation of mining operations on Navajo land; and revisit provisions from a vetoed 2014 bill concerning school transportation for Native American students.

Health Care for Native American Veterans

Jason Sandel, New Mexico Health Insurance Exchange (NMHIX) board member; Scott J. Atole, Native American coordinator, NMHIX; Jim Toya, American Indian veterans program

coordinator, New Mexico VA health care system; Anslem Roanhorse, chief executive officer, Crownpoint health care facility, Indian Health Service (IHS); and Leonard Thomas, M.D., chief medical officer, Albuquerque Area IHS, gave presentations on health care issues for Native American veterans as addressed by their respective agencies.

The NMHIX, which was created in law in 2013, serves as a central point of contact for individuals and businesses seeking health care coverage under the federal Patient Protection and Affordable Care Act (ACA). To date, the NMHIX has operated via the federal exchange; in late July, however, the NMHIX board will decide whether to continue operating through the federal exchange or to activate the state's own exchange and web site in November. If the state hosts its own exchange, everyone who signed up for coverage through the federal exchange in the last year will be disenrolled from their coverage and will need to re-enroll through the NMHIX.

Native Americans are not required under the ACA to obtain health coverage, though the NMHIX has been encouraging them to enroll, in part because the services they receive through the IHS are not considered "qualified coverage" under the ACA. This lack of standing as qualified coverage, which is currently under review by the NMHIX board, puts businesses that employ Native Americans at risk of violating the ACA's minimum coverage requirements. As part of its efforts to inform and enroll Native Americans, the exchange has established a Native American outreach network that includes Native American Professional Parent Resources, Incorporated (NAPPR), which sends health care guides into tribal communities to explain health care options.

Veterans are also not required to obtain health insurance under the ACA because VA coverage is considered qualified coverage, though veterans may enroll in private coverage through the NMHIX if they choose. Veterans' family members, however, generally are not covered by the VA or its associated programs and may obtain coverage through the NMHIX.

Native Americans who are veterans are eligible for services under both the IHS and the VA; however, the two systems have not historically shared health care information or worked smoothly in tandem. A recent memorandum of understanding between the two agencies incorporates several objectives aimed at correcting these and other problems, including reimbursement to the IHS for services provided to Native American veterans — a critical issue because the IHS is underfunded by nearly one-half. The VA is now training IHS personnel to identify veterans and steer them into the VA system and training tribal representatives to conduct outreach in rural communities. The Navajo Area IHS system is working with the NMHIX to implement the ACA and has received inquiries lately regarding private health coverage and Medicaid enrollment. Native Americans who remain in the IHS system have access to certain culturally sensitive programs, including a program that incorporates traditional healing to help veterans reintegrate following deployment.

On questioning, the presenters, committee members and Alan Martinez, deputy

secretary of veterans' services, who spoke from the audience on invitation of the chairs, addressed the following topics.

Medicaid. A Native American veteran whose income is no more than 138% of the federal poverty level (FPL) qualifies for Medicaid. Anyone whose income exceeds 138% of the FPL but is less than 400% of the FPL qualifies for a subsidy to purchase private health insurance.

Albuquerque Area IHS. The Albuquerque Area IHS currently serves 86,000 patients from 27 tribes on a budget of \$4.4 billion, which is approximately 60% of the agency's need. To fill the budget gap, the agency is increasingly going after reimbursement from the VA, Medicaid and Medicare and encouraging eligible patients to enroll for services in those systems.

VA-IHS interaction and collaboration. Not all services provided by the IHS qualify for VA reimbursement, and some services are not available through either the IHS or the VA — patients are referred elsewhere for those. The VA makes certain loans to the IHS, such as a loan in 2005 for purchasing x-ray equipment. The IHS and VA jointly host an annual symposium for veterans regarding benefits; this year's symposium will be held on November 16.

PTSD, behavioral health and substance abuse treatment. The VA is focusing on new approaches to PTSD treatment for veterans, including traditional healing. The VA trains tribal first responders and providers to recognize signs of PTSD and will soon expand the training to family members. PTSD treatment and other behavioral health services are available to varying degrees in all plans offered through the NMHIX, and certain behavioral health services are available through the VA to veterans' family members.

Health care guides. NAPPR currently employs 30 health care guides to help Native Americans enroll in the NMHIX and is in the process of hiring 50 additional guides, all of whom speak Navajo, to begin working on the Navajo Nation in August. The guides are trained to explain all choices available — private insurance, VA, IHS, Medicaid and Medicare.

NMHIX enrollment. The goal for the NMHIX initial enrollment period in the winter of 2013-2014 was 84,000; actual enrollment for that period was 34,000. Veterans are not restricted to the exchange's open enrollment period and may enroll at any time during the year. Native American enrollment outreach efforts cover urban as well as tribal areas.

Community-based outpatient clinic (CBOC). The IHS does not have a CBOC in the Navajo Nation, and a recent request for a CBOC was denied even though the facility potentially would serve more than 11,000 Native American veterans.

Tribal veteran services. New Mexico's system of tribal veteran service officers helps veterans access health care, housing and other services — a system that might be unique among states. The NMHIX is considering adding a Native American liaison to work with the VA and

the IHS and adding links on its web site to the Veterans' Services Department (VSD) and tribal groups.

Traditional healing. Traditional healing is used in various treatments covered by the VA and the IHS, but some private insurance companies in the NMHIX do not pay for such treatments. The NMHIX plans to address the issue. The state's veteran jail diversion project, which requires participants to undergo substance abuse treatment, allows veterans to seek treatment either through the VA or through traditional healing.

As follow-up to the discussion:

- ★ Mr. Sandel will provide:
 1. the NMHIX board's final decision on whether it will recognize IHS services as qualified coverage;
 2. the percentage of New Mexicans covered by Medicaid and by private insurance, including a comparison of New Mexico against other states on the issue;
 3. the percentage of New Mexicans enrolled in Medicaid versus those who qualify for Medicaid but are not enrolled, including a comparison of New Mexico against other states on this issue;
 4. the percentage of New Mexico veterans whose entire health care needs are met by the VA; and
 5. the percentage of Native American veterans who are not receiving the care they were promised when they joined the military, including a comparison of New Mexico against other states on this issue;
- ★ Mr. Toya will provide:
 1. information on the VA's veterans justice outreach program, including information on Native Americans in the program and the services provided;
 2. a list of the VA's tribal veteran representatives and their phone numbers;
 3. the number of Native American veterans served at VA facilities in New Mexico; and
 4. information on VA transportation available to veterans;
- ★ IAC staff will invite a representative from NAPPR to make a presentation at the committee's next meeting on the new health care guides hired for outreach in the Navajo Nation; and
- ★ Mr. Curley will convey to Senator Udall a request for expansion of services to Native American veterans in western and northwestern New Mexico.

Minutes

On a motion duly made, seconded and unanimously adopted, the minutes from the June 18, 2014 meeting of the Military and Veterans' Affairs Committee were approved.

Public Comment

Henry Haskie, M.S., Navajo Division of Health (NDOH), spoke about a proposed veterans' wellness initiative that would establish a transitional housing facility in the Navajo Nation for Navajo veterans. The initiative is a collaborative effort among the NDOH and various tribal and federal agencies. He also spoke in favor of enacting federal legislation similar to the Older Americans Act of 1965, with a focus on Native American communities.

Jackson Gibson, a veteran, described problems he has had accessing services and obtaining travel reimbursements from the VA, and he noted that although the VA referred him to a local dental clinic for treatment in May, the clinic has still not received authorization from the VA to proceed with that treatment.

Franklin Freeland, M.D., commander of the Eastern Navajo Veterans Organization, spoke of the differences between the IHS and the VA systems as they apply to Native American veterans. He presented several proposals to improve services for Navajo veterans and their families, including establishment of a veterans' center in the area and purchase of a mobile outreach vehicle. Speaking from the audience on invitation of the chair, Timothy Hale, secretary of veterans' services, noted that the VSD is discussing with the VA an expansion of rural outreach efforts and is working with the National Guard of New Mexico to develop a "one-stop shop" for accessing information on veterans' services. He also described the VSD's veteran business outreach center initiative, which includes the Navajo Nation in its mobile outreach efforts and will have Native American business owners speaking at its next event.

On a motion duly made, seconded and unanimously adopted, the committees directed staff to draft legislation appropriating funds to the VSD for veterans' services and a mobile outreach vehicle.

Albert Shirley, a former New Mexico legislator, described the Navajo Nation as a "dead zone" for veterans' services from both the state and the federal government. He described problems with the Navajo Housing Authority and noted that certain federal appropriations to the Navajo Nation earmarked for veterans and for the homeless have not been spent to benefit those populations.

Tommie Yazzie, a veteran, spoke of problems with past outreach efforts in the Navajo Nation that were conducted entirely in English; the need for transportation assistance for travel to the VA hospital in Albuquerque; the merits of reinstating a system of alcohol ration cards; the need to upgrade the status of veterans who have been dishonorably discharged; and the need to pass legislation in the Navajo Nation Council to help veterans. He also seconded Mr. Shirley's concerns about the Navajo Housing Authority.

Paul George, a member of the Navajo Veterans Organization in Shiprock, spoke of staffing shortages at the Shiprock CBOC and the need for benefits counselors at the San Juan Regional Medical Center and the Rehoboth and Shiprock hospitals. He seconded concerns regarding

transportation to the VA hospital and homeless Navajo veterans not receiving earmarked federal assistance. He also urged legislators to appropriate funds for planning and design of a veterans' cemetery in San Juan County.

Critical Issues for Providers Regarding Homeless Veterans

Teddy Nez, Homeless Vietnam Veterans, and David Begay, Ph.D., presented a white paper outlining points of concern and issues for homeless veterans. The four major concerns noted in the paper center on the need for:

- long-term planning to serve at-risk veterans;
- a focus on housing for veterans, with policies developed based on local rather than national demographic data;
- better communication among providers, local governments, the Navajo Nation, the state and the federal government; and
- better attention to issues faced by female veterans, including military sexual trauma.

The presenters described the benefits of using traditional healing to help veterans and noted that the VA needs to expand its use of, and reimbursement for, this treatment method. They also called for a comprehensive study of homeless veterans and the services available to them and for full staffing at the VA facility in Gallup.

On a motion duly made, seconded and unanimously adopted, the committees directed staff to conduct an analysis of Mr. Nez's presentation and develop recommendations based on the issues presented in his white paper, to be shared with the Mortgage Finance Authority Act Oversight Committee.

Update on Veterans Helping Veterans

David Cuellar, founder of Veterans Helping Veterans, gave a presentation on his organization's efforts since its inception a decade ago to assist veterans not only in accessing VA and other services, but also with other issues. The group, which meets every other week in Gallup on Friday mornings, has grown to more than 1,500 members and draws meeting participants from as far away as Belen. The group has made a proposal to the legislature to fund publication of a catalog listing all entities statewide that provide services to veterans. It also suggests that the state more closely monitor the conditions faced by veterans in Gallup and other remote parts of the state. Such monitoring could be done by a veteran service officer, but no such officer is currently based in the Gallup area.

On a motion duly made, seconded and unanimously adopted, the committees directed staff to draft a letter to Secretary Hale recommending that he attend a meeting of the Veterans Helping Veterans organization.

Announcement

Representative Martinez announced that the Military and Veterans' Affairs Committee members and staff are invited to a reception on the evening prior to the committee's meeting scheduled for Silver City in late August.

Adjournment

The committees adjourned at 4:10 p.m.

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